

Analysis of Disability Living Allowance: Disabling Condition – Caseloads and Expenditure 2000/01 and 2009/10

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Background

DLA is a benefit that provides a cash contribution towards the extra costs of needs arising from an impairment or health condition. DLA is a non-means-tested benefit payable regardless of employment status. It is part of a wider range of support and services available to disabled people, including support with housing and Council Tax costs, and in the form of services or direct payments from Local Authorities to meet social care needs.

Although it is intended to contribute towards extra costs, measuring each individual's expenditure would be administratively complex and expensive. Entitlement and award levels are therefore based on proxies – care and mobility – which research has shown to be the greatest sources of extra costs. The decision about whether to award benefit is made not on the basis of an individual's costs, but on the severity of their care and mobility needs.

To apply for DLA individuals complete a claim form which requests detailed information about the impact that their impairment or health condition has on their ability to manage their care themselves or get around. The claim form is considered by a Decision Maker alongside other evidence such as reports from the claimant's General Practitioner or consultant. Awards are currently payable at two mobility and three care rates leading to a possible 11 different combinations of payable rates of benefit.

Further information on DLA is available at:

http://www.direct.gov.uk/en/DisabledPeople/FinancialSupport/DisabilityLivingAllowance/DG_10011731

The Department publishes a range of statistical information on DLA claimants at <http://research.dwp.gov.uk/asd/index.php?page=tabtool>, including statistics on the numbers receiving care and mobility components and disabling condition. An additional tabulation of numbers of Disability Living Allowance claims in payment at May 2010 by detailed disabling condition and the level of care and mobility components was published on 25th February 2011 at:

http://research.dwp.gov.uk/asd/asd1/adhoc_analysis/index.php?page=adhoc_analysis_2011_q1

This ad hoc analysis combines the numbers of claimants by care and mobility components and disabling condition with benefit expenditure data to estimate the amounts paid to each group, comparing the most recent financial year (2009/10) with an earlier year (2000/01).

The most recent expenditure figures available are for 2009/10. Benefit expenditure figures are published at:

<http://research.dwp.gov.uk/asd/asd4/index.php?page=expenditure>

Methodology

Expenditure for each disabling condition is not routinely collated. It can however be estimated and this has been done here. The expenditure on individual disabling conditions is determined by using caseload and average amounts information (as determined by care and mobility payments) to estimate the share of spending on each category. This share is then used to apportion the expenditure total among the disabling condition groups.

Entitlement to DLA depends on an assessment of how much help someone needs with personal care and/or mobility because of their disability. A diagnosed impairment or medical condition does not in most cases mean that someone is automatically entitled to DLA. The level of care and mobility components in payment determine the value of the DLA award which is in turn reflected in the expenditure figures.

As described in the February 2011 paper, rates of care and mobility tend to differ by the main disabling condition. This means that those with a main disabling condition where most people receive higher rates of the mobility and care components, such as for example those with Malignant Disease, will in general receive higher payments than those with a main disabling condition which tends to attract lower or middle rates, such as Epilepsy. This is reflected in the way the distribution of the expenditure figures differs from the distribution of the caseloads.

Results

The total expenditure on DLA at 2009/10 was £11,464 million, an increase of 50% in real terms compared with the expenditure of £7,623 million at 2000/01 in real 2009/10 terms. The total number of people in receipt of DLA at February 2010 was 3.14 million, an increase of 38% from the 2.28 million with DLA in payment at February 2001.

The largest increases among the disabling conditions in caseload and expenditure terms (both absolute figures and percentages) included back pain, various of the mental and behavioural disorders, and malignant disease (cancers).

The increase in expenditure which in real terms is higher than the increase in caseload is largely driven by the higher care components in payment in later years, as described in the following table. This is to some extent offset by a lower percentage of higher rate mobility payments in later years.

	February 2001	February 2010
Total cases in payment	2.28 million	3.14 million
Care component		
% receiving highest rate	20%	23%
% receiving middle rate	30%	33%
% receiving lowest rate	24%	28%
% not receiving care component	26%	16%
Mobility component		
% receiving higher rate	64%	57%
% receiving lower rate	23%	30%
% not receiving mobility component	13%	13%

Source: DWP Information Directorate: Work and Pensions Longitudinal Study and 5% sample data.

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